

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: OCCUPANCY TAX COORDINATION

DATE: September 22, 2009

COMMITTEE MEMBERS PRESENT:

SUPERVISORS KENNY
 TESSIER
 MERLINO
 BENTLEY
 CHAMPAGNE
 SIMMES
 GOODSPEED

OTHERS PRESENT:

FRANK O'KEEFE, TREASURER
KATE JOHNSON, DIRECTOR OF TOURISM
LEISA GRANT, PRINCIPAL ACCOUNT CLERK
TANYA BRAND, GROUP TOUR PROMOTER
MICHAEL CONSUELO, SPECIAL EVENTS COORDINATOR
FREDERICK MONROE, CHAIRMAN
HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE & FISCAL
 SERVICES
JOAN SADY, CLERK OF THE BOARD
KEVIN GERAGHTY, BUDGET OFFICER
SUPERVISOR PITKIN
SUPERVISOR STRAINER
SUPERVISOR TAYLOR
LUISA CRAIGE-SHERMAN, WARREN COUNTY COUNCIL OF
 CHAMBERS & LAKE GEORGE REGIONAL CHAMBER OF
 COMMERCE
JOHN LEMERY, ESQ., LEMERY GREISLER, LLC
JANICE B. FOX, LAKE GEORGE REGIONAL CHAMBER OF
 COMMERCE
JACK FOX, CHIEF FINANCIAL OFFICER, THE GREAT ESCAPE
DON MCCOY, CHIEF EXECUTIVE OFFICER, THE GREAT
 ESCAPE
ERIC FLUET, MARKETING DIRECTOR, THE GREAT ESCAPE
DON LEHMAN, *THE POST STAR*
JOANNE COLLINS, LEGISLATIVE OFFICE SPECIALIST

Mr. Kenny called the meeting of the Occupancy Tax Coordination Committee to order at 10:00 a.m.

Motion was made by Mr. Bentley, seconded by Mr. Champagne and carried unanimously to approve the minutes of the previous Committee meeting, subject to correction by the Clerk of the Board.

Privilege of the floor was extended to Frank O'Keefe, County Treasurer, who reported that occupancy tax revenue collected through September 21, 2009 was \$ 1,543,707 compared to \$1,845,250 for the same period in 2008. He noted that collections were not complete at this time and stated that a full report would be available next week.

Mr. Kenny asked if the County might face some delays in collections as a result of the economic situation and Mr. O'Keefe answered affirmatively. Mr. O'Keefe reiterated that he would have a better idea of the status of collections next week. He added that reports would include additional comparisons including figures for hotels, motels and other businesses.

Privilege of the floor was extended to John Lemery, Esq., representing the Great Escape Properties, who thanked the committee for their time. Mr. Lemery also extended thanks to Mr. Kenny, Committee Chair for accommodating his request to be included on the agenda, and Leisa Grant, Principal Account Clerk in the Tourism Department, for her assistance with the application process.

Supervisor Simmes entered the meeting at 10:04 a.m.

Mr. Lemery introduced Don McCoy, President of the Great Escape Properties; Jack Fox, Chief Financial Officer; and Eric Fluit, Director of Marketing and Entertainment for the Theme Park and Hotel. Mr. Lemery said they were introducing a new event, Holiday in the Park, to run from November 20th through December 31, 2009. He asserted that the event would have a positive impact on the economic vitality of the area during its duration and they were requesting \$50,000 in funding for the event. Relative to bed tax collections generated, he reported that since the opening of the hotel water park in February of 2006 through July of this year, \$1.4 million had been collected in bed tax. He noted that \$226,048 was collected so far this year as compared to approximately \$400,000 in 2008. The hotel boasted near full occupancy for July and August, according to Mr. Lemery. He asked the Committee for their full consideration regarding the Six Flags Great Escape application for funding for this holiday event.

Privilege of the floor was extended to Mr. McCoy who distributed copies of the overview for the Holiday in the Park Event.

Commencing the overview, Mr. McCoy stated that the event was a family oriented event which would run from November 20 - December 31, 2009, one of the longest operating seasons for the Park which resulted in sustained employment for 100 staff. He stated that there would be three new shows and would include the existing Looney Tunes characters, Santa's Workshop which would include a live Santa and elves, a daily tree lighting ceremony in the dive show area which would include a 60 foot Christmas tree with LED lights in recognition of the green initiative, an ice rink (using the bumper car area), and the alpine alley snow hill located near the entrance to the water park. He explained that there would be five themed areas within the park which would include the International Victorian Village ornately lit with carolers strolling to create a Norman Rockwell-like ambiance, Toyland, The North Pole, Winter Wonderland, and Candyland. He added that there would be a children's Karaoke event.

Relative to attendance, Mr. McCoy stated that they estimated 40,000 people would attend the event which would generate approximately \$4.4 million. He pointed out that this was a first time event and the estimation of attendance was complex as many outside factors were

considered, such as weather. He noted that half of the attendees were expected to come from outside the region. He stated that Six Flags enjoyed an appeal which extended the footprint outside the immediate area and included Burlington, Vermont, Syracuse, New York and New York City. Additional funding, he stated, would enable the extension of the footprint whereby outer regions could be targeted.

Mr. Goodspeed entered the meeting at 10:10 a.m.

Mr. McCoy apprised that this was not a traditional main-gate costed event and the price would be \$19.99 per person and free to all existing pass holders. He referred to artists renderings in the handout and stated the intent was to brighten the area.

Privilege of the floor was extended to Mr. Fluit who said that he had committed to expending \$150,000 on advertising for this event. Additionally, he stated, the local radio stations would campaign in mid-November for a four week period. He noted that a web-site dedicated to this event had been launched on www.sixflags.com. Mr. Fluit underscored the increased need for communication for first time events to ensure that guests obtained a clear understanding of what to expect.

Mr. Fluit reported that several pieces of collateral had been distributed into the market and included theme park rack brochures, hotel lodge rack brochures, maps, and signage, such as the park billboard located in the parking lot and another on Route 9 in proximity to the Aviation Mall.

Concluding the program overview, Mr. McCoy stated that significant investments had been made to the Six Flag Park's property and included several new rides. The company, he said, continued to make infrastructure changes to the property which included food availability and enhanced information technology capabilities. He stated that this was more than a million dollar investment and he envisioned a long term sustainable event that would continue to grow, extend employment and bring people to the area.

Regarding the rules for special event funding applications, Mr. Kenny stated that the amount available in the special event fund was determined by the amount of total collections from the previous year, and special event funding was 10% of the total amount collected. He further stated that a meeting would be held around December 1st whereby 30 to 50 applications would be reviewed. He stated that typically 25 to 35 applications were funded. Mr. Kenny apprised that it was not required to apply at the December meeting and applications were accepted throughout the year; however, he stated, funds could be exhausted.

Leisa Grant, Principal Account Clerk in the Tourism Department, reported that at present \$12,309 remained in the 2009 Occupancy Tax Special Event Fund. Mr. Kenny expressed his support for the Great Escape Holiday in the Park event, and he applauded the innovative work in conceiving the plans for the Park. Mr. Kenny apprised that there were no other funds available at this time and no other resources to access. He noted the total amount requested on the application was \$50,000.

A discussion ensued relative to possible monetary contributions from the Towns.

Mr. Bentley suggested that the balance in the account be awarded for this year, and encouraged Mr. McCoy to submit the 2010 application as early as possible.

Motion was made by Mrs. Simmes, seconded by Mr. Tessier and carried unanimously to approve the request for special event funding in the amount of \$12,309 for the Great Escape Holiday in the Park event from November 20 to December 31, 2009, as outlined above.

Privilege of the floor was extended to Michael Consuelo, Special Events Coordinator, who distributed copies of the Monthly Activity Report, *a copy of which is on file with the minutes*. He stated that he had recently attended the Empire State Society of Association Executive's Wisdom and Wellness Day at The Sagamore Resort, as well as an Affordable Meetings Show in Washington, D.C. with Tanya Brand, Group Tour Promoter. He said that he attended a meeting with the New York State Association of Convention and Visitor's Bureau (CVB) last week which would cause a positive effect for both the area and the association which met quarterly to discuss pertinent issues. Another major piece of business, he stated, was that of the United Church of God who wished to bring their convention to the region next year. Additionally, he stated, The Church of Pentecost, USA Inc., would require a large venue for meetings in 2010 or 2011 with between 2,500 and 3,000 in projected attendance. He stated that a meeting of IRS Agents was recently welcomed to the area and they expressed the desire to return every two years for the same purpose.

Referencing page two of his agenda, Mr. Consuelo noted that both bookings and leads generated were listed. He reported that \$69,168 was generated from new business leads and included bookings from the IRS, the Jaycee's, and Sweet 16 Seniors. He also noted that hotel bookings were confirmed for the 2010 Balloon Festival.

Looking to 2010 and beyond, Mr. Consuelo reported leads from the University of Vermont (UVM) Reunion group and the National Rifle Association. He referred to the advertisement on page three which was a smaller interim piece of collateral to be used for shows.

Mr. Kenny referenced a letter of concern from a County resident which addressed individuals in the lodging industry who were not legally registered with Warren County, and he stated he would refer the inquiry to the Treasurer's Office.

Mr. Geraghty expounded that the individual in question operated a Bed and Breakfast facility and rented space on the weekends but was not listed as a business; therefore the earnings were not subject to bed tax. He explained that the concerned resident was a registered business person who paid commerce taxes and other required fees. Mr. Kenny pointed out that rentals with less than four units were not subject to a business classification and he reiterated that the issue would be referred to the Treasurer for further review.

Mr. Kenny cited an example using Florida State Law for which occupancy tax was incurred for all rentals operating for less than seven months. Additionally, he noted, the State of Florida incurred a penalty to landlords with unreported and untaxed rental income.

Privilege of the floor was extended to Luisa Craige-Sherman, Warren County Council of Chambers, who shared feedback from diners who attended "Restaurant Week" held recently. Those reviewed included the East Cove, Mama Riso's, The Sagamore, the Boardwalk, and the Georgian, for whom the latter was filled to capacity and subsequently referred business out to other participating eating establishments. Ms. Craige-Sherman stated that she would present a full report after all information had been submitted.

Janice Fox, President of the Lake George Chamber of Commerce, extended a personal invitation to all Supervisors to attend the Annual Dinner at the Six Flags Great Escape Lodge, on September 29, 2009, to honor Kate Johnson, Director of Tourism, for the superior promotional efforts she extended relative to the airing of the Today Show in Bolton Landing.

As there was no further business to come before the Occupancy Tax Coordination Committee, on motion made by Mr. Champagne and seconded by Mr. Simmes, Mr. Kenny adjourned the meeting at 10:35 a.m.

Respectfully submitted,

Joanne Collins, Legislative Office Specialist